



Yellow Corporation Posts 25% Earnings Increase in Third Quarter

OVERLAND PARK, Kan., Oct. 19 /PRNewswire/ -- Yellow Corporation (Nasdaq: YELL) announced today that net income for the third quarter ended September 30, 2000 was \$19.6 million, or \$.80 per share, compared with net income of \$15.9 million, or \$.64 per share in the 1999 third quarter. Net income grew 22.9 percent and earnings per share were up 25.0 percent over the 1999 third quarter.

On September 25, the company pre-announced that it expected to meet or exceed then-consensus third quarter earnings estimates of \$.71 per share.

Operating revenue was \$919 million, compared with \$861 million in the 1999 third quarter. Revenue per day was up 7.6 percent over revenue per day in the 1999 third quarter. Consolidated operating income was \$43.4 million, up 27.9 percent from \$33.9 million in the prior year period.

For the first nine months of the year, Yellow Corporation recorded revenue of \$2.705 billion, up from \$2.345 billion in the same period of 1999. Year-to-date 2000 net income was \$53.5 million, up 59.1 percent from \$33.6 million in the prior year period. Excluding a one-time gain from the sale of property in the 2000 second quarter, net income was \$44.9 million, up 33.3 percent. Earnings per share were \$2.14, up 60.9 percent from \$1.33 in the first nine months of 1999. Excluding the one-time gain of \$.34 per share, earnings per share were \$1.80 in the first nine months of 2000, up 35.3 percent.

"Continued strong performance at Yellow Freight System has helped put us in excellent position to achieve our best full-year financial results since the early 1980s," said Bill Zollars, Yellow Corporation Chairman, President and CEO. "Performance of our regional carrier group began to rebound in the third quarter, particularly at Saia. Our Internet joint venture, Transportation.com, is on a rapid growth track with the launch of a succession of online service offerings and substantial increases in customers. It was a very successful quarter on a number of key fronts."

National Transportation Services

Yellow Freight System, the company's largest subsidiary, reported third quarter operating income of \$39.5 million, up 48.4 percent from \$26.6 million in the 1999 third quarter. Revenue for the third quarter was \$715 million, up 7.6 percent on a per day basis when compared with the prior year's quarter. Revenue for the 1999 third quarter was \$675 million. The 2000 third quarter operating ratio was 94.5, compared with 96.1 a year earlier.

Yellow Freight continues to open a series of corridor hubs that further enable the company to dramatically increase its two-day and three-day service by scheduling more direct point-to-point routes and by utilizing more driver sleeper teams. Exact Express™, an expedited, time-definite air and ground delivery service, also posted continued growth with revenue-per-day increasing 46 percent over revenue per day in the 1999 third quarter.

"Yellow Freight turned in an excellent operating performance during the third quarter," Zollars said. "The company is improving profitability by focusing on business in the 400-to 1,400-mile length-of-haul markets and through a series of service quality initiatives that have a direct impact on customer satisfaction. In areas where we have accelerated transit times and improved overall quality, we have seen revenue growth of over 15 percent, compared with 7.6 percent growth in revenue per day for the system overall."

Regional Carrier Group

During the 2000 third quarter, the four carriers comprising the Yellow Corporation Regional Carrier Group -- Saia Motor Freight Line, Jevic Transportation, WestEx and Action Express -- reported combined operating income of \$6.6 million, compared with \$9.6 million in the 1999 third quarter. Revenue for the regional group was \$197 million, compared with \$180 million in the 1999 third quarter. Revenue per day improved by 7.0 percent over the prior year's period.

At Saia, third quarter 2000 revenue was \$93 million and operating income was \$4.8 million, compared with revenue of \$89 million and operating income of \$4.7 million in the 1999 third quarter. The 2000 third quarter operating ratio was 94.8, compared with 94.7 in the year-earlier quarter.

"Saia has intensified its focus on providing excellent service and it is beginning to show up in improved financial performance," Zollars said.

Jevic reported third quarter 2000 revenue of \$75 million and operating income of \$3.1 million. Jevic, which was acquired on July 9, 1999, reported third quarter 1999 revenue of \$63.4 million and operating income of \$4.5 million. The 2000 third quarter operating ratio for Jevic was 95.9, compared with 93.0 in the 1999 third quarter.

"Jevic continues to grow rapidly, thanks to an outstanding service product," Zollars said. "But the combination of higher costs, particularly fuel, and increased competitive conditions, weakened margins."

WestEx reported third quarter revenue of \$18 million, compared with \$19 million in the 1999 third quarter. Excluding a \$1.5 million one-time expense, WestEx had a third quarter operating ratio of 100.7. Action Express reported third quarter revenue of \$11 million, compared with \$9 million in the 1999 third quarter. Action Express had a third quarter operating ratio of 96.6.

Transportation.com

Since its launch in June 2000, Transportation.com™ has continued its successful rollout of a broad suite of web-based services designed to serve both shippers and carriers over the Internet. The company now serves thousands of customers and has just signed a partnership agreement with Volvo Trucks North America and Volvo Commercial Finance LLC to provide online "spec" configurations for equipment purchases, customized financing and roadside assistance.

Transportation.com (www.transportation.com) is the Internet transportation marketplace providing broad-based products, services and information for shippers and carriers. The company is funded by Yellow Corporation, TL Ventures, an institutional venture capital firm, and EnerTech Capital Partners, a private equity firm. Transportation.com is headquartered in Irvine, California, and its technology center is located in Overland Park, Kansas.

Corporate and Other

Third quarter results include an after-tax loss of \$1.0 million or \$.04 per share pertaining to ongoing business development expenses for Transportation.com.

The company has completed a \$25 million stock buyback program implemented on June 23, 2000. During the program, the company purchased 1,629,300 shares at an average price of \$15.34 per share. Yellow Corporation currently has 23.8 million shares outstanding.

Statements contained in this release that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, hopes, beliefs and intentions on strategies regarding the future. It is important to note that the company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including but not limited to inflation, labor relations, inclement weather, competitor pricing activity, expense volatility and a downturn in general economic activity.

Yellow Corporation is a holding company with wholly owned operating subsidiaries specializing in the national, regional and international transportation of industrial, commercial and retail goods. Transportation.com is a jointly owned subsidiary providing an Internet transportation marketplace for information-rich products and services targeted to shippers, carriers and private fleet operators. Headquartered in Overland Park, Kansas, Yellow employs approximately 32,000 people.

STATEMENTS OF CONSOLIDATED OPERATIONS Yellow Corporation and Subsidiaries

For the Quarter and Nine Months Ended September 30, 2000 and 1999

(Amounts in thousands except per share data)
(Unaudited)

Third Quarter		Nine Months	
2000	1999	2000	1999

OPERATING REVENUE	\$ 918,898	\$ 860,983	\$2,705,150	\$2,344,537
OPERATING EXPENSES:				
Salaries, wages and benefits	564,569	541,427	1,674,782	1,500,088
Operating expenses and supplies	143,636	126,456	420,706	354,394
Operating taxes and licenses	27,513	26,375	83,965	72,901
Claims and insurance	20,332	19,111	60,928	52,606
Depreciation and amortization	32,062	29,683	95,179	79,241
Purchased transportation	87,425	84,039	254,939	215,384
Total operating expenses	857,537	827,091	2,590,499	2,274,614
INCOME FROM OPERATIONS	43,361	33,892	114,651	69,923
NONOPERATING (INCOME) EXPENSES:				
Interest expense	5,126	4,544	15,071	10,295
Other, net	3,720	1,662	6,627	1,629
Nonoperating expenses, net	8,846	6,206	21,698	11,924
INCOME BEFORE INCOME TAXES	34,514	27,686	92,953	57,999
INCOME TAX PROVISION	14,961	11,775	39,412	24,355
NET INCOME	\$19,553	\$15,911	\$53,541	\$33,644
AVERAGE SHARES OUTSTANDING-BASIC	24,427	24,866	24,949	25,042
AVERAGE SHARES OUTSTANDING-DILUTED	24,503	25,009	25,075	25,211
BASIC EARNINGS PER SHARE	\$.80	\$.64	\$2.15	\$1.34
DILUTED EARNINGS PER SHARE	\$.80	\$.64	\$2.14	\$1.33

SOURCE Yellow Corporation

CONTACT: Analyst, Stephen Bruffett, 913-696-6108 or Media, Roger Dick,